

**MONTANA PUBLIC SERVICE COMMISSION
UTILITY DIVISION
AGENDA NO. 01-09-25**

Date Published: September 20, 2001
For Work Week Commencing: September 24, 2001
Business Meeting: September 25, 2001, 9:00 a.m.

General Introduction This agenda is the Commission's Utility Division agenda for the work week designated. In the later part of each week (generally, Thursday by 2:00 p.m.) prior to the work week to which an agenda pertains, the agenda is posted on the public information bulletin board at the Commission offices, deposited in the mail directed to all persons who have properly requested notice by mail, emailed to all persons who have properly requested notice by email, and posted to the Public Service Commission's worldwide web site located at <http://www.psc.state.mt.us>.

Place of Meetings All meetings are held at the Commission offices, 1701 Prospect Avenue, Helena, Montana, unless otherwise noted.

Inquiries General inquiries concerning this Utility Division agenda and subscribing to notice by mail may be made to Dennis Crawford at (406) 444-6182. He may refer inquiries to another person within the agency.

Accommodation for Persons with Disabilities Anyone needing an accommodation for physical, hearing, or sight impairment in order to attend a scheduled meeting should contact the Commission secretary at (406) 444-6199 sufficiently prior to the meeting to allow accommodations to be made.

Work Sessions All items identified below are for Commission discussion or action on the day designated (Dave).

1. D2001.9.123 and D2001.9.127 – Northwestern Generation I/Rocky Mountain Power, respectively – Application for comment and findings on PPAs – Discuss the filings (9/25/01)
2. D96.2.22 and D2001.1.1 – MPC – Gas Assets Sale Proceeds and Tracker – Discussion, direction, action on prehearing matters as needed, if needed (9/25/01)
3. D2000.8.113 – MPC – Natural Gas Rate Refund to Customers – Action on proposed method of refund (9/25/01)
4. D2001.9.128 – Montana-Dakota Utilities Co – Notice of Filing of Integrated Resource Plan (IRP) and Comments Deadline – Discuss Notice and comment deadline extension (9/25/01)
5. N2001.8.110 – Montana ETCs – Annual Certification to the FCC and USAC – Discussion, direction, action on follow up items as needed (9/25/01)

6. D2000.5.70 – Qwest – 271 Workshop #2 Preliminary Report – This worksession regards two of the emerging issues – line sharing and subloop unbundling (9/25/01)

Weekly Scheduling Meeting – Will be held at 8:45 a.m. on the day of the Business Meeting

Action Items All items identified below are for action at the Commission business meeting.

1. MONTANA POWER COMPANY DOCKET NO. D97.11.219 (Eric)

On September 17, 2001, MPC filed its fifth semi-annual true-up Advice Letter pursuant to Order No. 6035a. This filing is made by MPC in its role as servicer of the Natural Gas Transition Bonds. If the previous six-month period variance between the scheduled debt service and the actual amounts available to satisfy the scheduled debt service for such period exceeds 2 percent MPC is required to apply for adjustment to the Fixed Transition Amount (FTA) charges. The variance for the period was an overcollection of 31.01 percent or \$1,229,751. The variance was a result of a conservative forecast for natural gas consumption. One FTA rate FTA-RA (Non-Core) increases from \$0.068 to \$0.078 due to an under-recovery from those customers.

Also on September 17, 2001, MPC filed adjustments to the CTC-GP-Credit and the CTC-RA-Credit. These two credit rate schedules pertain to certain rate base credits associated with gas production and regulatory asset transition costs. These rate adjustments were filed with the semi-annual true-up in order to provide a single rate adjustment for customers. The CTC-RA and CTC-GP Credits have been adjusted to reflect the recent change in the authorized cost of capital in Order No. 6271c. The authorized cost of capital declined from 9.43 percent to 8.82 percent. These two rate schedules have been adjusted to reflect the forecast market for the period that these rates will be in effect, October 1, 2001 to September 30, 2002.

Staff recommends that the decrease in the FTA charges and the increase in the FTA-RA (Non-Core) as well as the changes in the CTC-GP-Credit and CTC-RA-Credit be approved effective October 1, 2001.

Notice Items All items identified below are noticed for public participation purposes. Unless otherwise stated in the text of the notice, the items will be action items on the next following agenda or a subsequent agenda and participation may be had by submitting written comments to the Public Service Commission, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana, 59620-2601, within 5 calendar days following publication of this agenda. Public comments on a noticed matter may also be submitted within the required time through the PSC's web-based comment form at <http://psc.state.mt.us/PublicComment/PublicComment.htm>. Comments should reference the docket number of the matter.

Information Items All items identified below are for information only.

Tentative Action Items for Agenda 01-10-02

New Filings Received in Past Week

- D2001.9.126 – Montana Power Company – MPC/Vigilante territorial exclusivity agreement
- D2001.9.127 – Rocky Mountain Power – Petition for PSC Review of and Comment on Power Purchase Agreement with MPC
- D2001.9.128 – Montana-Dakota Utilities – Biennial filing of electric integrated resource plan